

**THE RESERVE AT FRISCO ASSOCIATION  
BOARD OF DIRECTORS MEETING  
JANUARY 4, 2011**

**I. CALL MEETING TO ORDER**

The meeting was called to order at 3:00 p.m. in the Basic Property Management Conference Room.

Board Members Present Were:

Jim Fuxa	Jim Melhouse
George Yantz	Jim Hesse
Kevin Allen	

Michal Stefannaci was also present.

Representing Basic Property Management was Gary Nicholds. Erika Krainz of Summit Management Resources was recording secretary.

**II. OLD BUSINESS**

*A. Proxy Distribution*

George Yantz said he spoke to several attorneys on an informal basis (no fee) at a recent conference regarding assignment of proxies. The attorneys recommended having directed proxies. Any unassigned proxies received should be distributed among Board members according to office. Owners can designate a specific proxy holder if desired. George Yantz volunteered to draft a statement for the summer newsletter. Jim Melhouse questioned if the Board had the authority to designate proxies in this manner. George said this issue would be voted on by the owners at the summer meeting. Changing the Bylaws will require an affirmative vote of 2/3 of the votes present or represented by proxy.

Jim Fuxa made a motion to have George Yantz draft a statement, to have the Board review it prior to the Annual Meeting and to present it to the owners at the Annual Meeting. Jim Hesse seconded and the motion carried unanimously.

*B. Lamb Letter*

George Yantz said he also spoke to an attorney on an informal basis at the conference regarding the Board control of the common areas. The attorney felt that the Bylaws were clear and consistent and the Board had the authority to maintain the preservation areas. Jim Fuxa stated that George and I were told by the attorneys that the opinion should be put in writing by an attorney. At the last Board meeting Gary Nicholds was asked to speak with the Frisco Town Manager Michael Penny about the Town's interpretation of the word "maintain" at the time the documents were signed since the original agreement was between the Town and the Association. Gary Nicholds said he would provide the "common ground"

statement and the Declarations to Michael Penny so he could have the Town attorney review them. The Board can make a decision based on the results of that review.

*C. Association Communication*

Jim Fuxa recommended posting information about issues such as the number of trees planted, location and installation of the irrigation on the website.

**START HERE**

*D. Parrish Letter*

The Board voted not to honor the request for a change to her fines owed. She received the letter regarding the window sign but supposedly did not receive the delinquency letter. As of 9/30/10 owed \$416 total, about \$75 of which is late fees. Gary will confirm that a response letter was sent to the Parrish's by the attorney indicating that the Board denied the request to waive the late fees. If a letter has not yet been sent, he will have one sent.

*E. Owner Delinquencies*

There were six owners who have had liens filed on their properties. Total amount owed is \$4,783. Jim Hesse suggested putting a schedule of dates for dues payments and late payment information on the website in the interest of improved communication. This information could also be included in the owner newsletter.

*F. Planting of New Trees*

Planted 44 trees and added irrigation. There are some owners who wanted trees in the fall. Gary said he had a list and there were about six owners. He was asked to communicate with those owners again, determine which type of trees and quantity, and have them prepay. Kevin Allen recommended assigning someone to be in charge of coordination of delivery and planting. Jim Fuxa said he would work with the supplier. Gary Nicholds said he could provide the name of a planting contractor. Gary was asked to email the list of interested owners to Jim Fuxa.

**III. ARCHITECTURAL REVIEW COMMITTEE UPDATE**

*A. ARC Members*

Michal Stefanacci said all ARC wanted to continue for another year but need to be appointed by the Board. George Yantz requested that an announcement be made to recruit new members at the Annual Meeting. Jim Melhouse made a motion to reappoint the existing four Architectural Review Committee members. George Yantz seconded and the motion carried. Michal provided a written report of activities for the past year.

*B. Fines for Non-Compliance*

\$100 for first violation, \$350 for second and \$500 for third. Gary said he had spoken to most owners regarding violations and had worked out issues without levying fines.

*C. House Staining*

Kevin Allen said regarding solid body stain, he was told that going to solid body stain can depreciate the value of homes 10 – 15% because it looks like paint. The ARC will revisit the issue of semi-transparent versus solid body stain because the new rule has not yet been recorded with the County. The Board is contemplating rescinding the decision made on solid body stain during the last meeting pending additional information.

**IV. NEW BUSINESS**

*A. Pine Beetle Spraying*

Jim Melhouse said a potential buyer was very concerned about the pine beetle infestation. They wanted to know if the property was sprayed and what the Town of Frisco was doing to address the problem. The minutes indicated that about 880 trees were sprayed last year. George Yantz thought the Association's approach was good, i.e. spraying high value and trophy trees without bankrupting the Association. Jim Fuxa said the information regarding spraying high value and trophy trees (spraying of 880 trees last year), reforestation efforts, removal of dead standing and deadfall trees should be posted on the website.

*B. Plowing*

Kevin Allen asked why the Town could not plow the cul de sacs. Jim Fuxa said the radius was too small for the plows and the cul de sacs were private streets. Kevin said there was an accumulation of snowpack. Gary Nicholds will speak to the plowing contractor.

*C. Meeting Minutes*

George Yantz discussed whether or not Board member names should be included in the recording of discussions in meeting minutes. He felt that the ownership should know how individual Board members feel about specific issues.

**V. ADJOURNMENT**

Jim Melhouse made a motion to adjourn at 4:17 p.m. Jim Hesse seconded and the motion carried.

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

Board Member Approval

**THE RESERVE AT FRISCO  
BOARD OF DIRECTORS MEETING  
May 18, 2011**

**I. CALL TO ORDER**

The meeting was called to order at 3:00 p.m. by Jim Fuxa.

Board members present were Jim Fuxa, Jim Hesse, George Yantz and Kevin Allen.

Gary Nicholds and Candy Ramage were present representing Basic Property Management. Erika Krainz of Summit Management Resources was recording secretary.

**II. APPROVE PREVIOUS MEETING MINUTES**

A motion was made to approve the January 3, 2011 Board Meeting minutes as presented. The motion was seconded and carried.

**III. FINANCIAL REPORT**

*A. Year-to-Date as of March 31, 2011*

Significant variances to budget as of March 2011 included:

1. Snow Plowing - \$6,667 under budget.
2. Secretarial Services - \$431 under budget.
3. Landscaping - \$3,301 over budget.
4. Net Income - \$7,029 over budget.

*B. Reserve Fund*

Candy Ramage noted that the Association spent \$7,082 for Tree Preservation with no funds budgeted. ARC Expenses was \$5,536 over budget but the expenses will be covered by the fees collected from the owners who have submitted plans.

The year-to-date net loss was \$4,632 but Candy explained that the majority of the loss was due to the ARC expenses, which will be reimbursed.

Kevin Allen made a motion to approve the Financial Report as presented. George Yantz seconded and the motion carried.

*C. 2011/2012 Budget*

Candy Ramage said she had started to work on the budget for next year. The Board agreed that they wanted to continue spraying for pine beetles (about 800 trees at \$9/tree). The Board discussed the need for not only spraying but also for reforestation. George Yantz made a motion to spend \$5,000 for spraying and \$2,200 for tree replanting. Kevin Allen seconded and the motion carried. Jim Hesse felt the Board should prioritize which trees would be sprayed. He

recommended focusing on the main road. For the reforestation, the focus should be on the knoll by the entrance and along the bike path. The Board agreed to plant some aspen near the entrance area to provide color in the fall.

#### **IV. NEW BUSINESS**

**A. *Proxy Vote Amendment***

George Yantz said the Association voted to have him research the issue of the Board President holding and voting all proxies. One attorney recommended assigning the vote to the Board members in succession as they are received. George distributed a written draft of his proposal. If the proposal is approved, the Bylaws will need to be changed, which will require approved by at least 66% of the membership. Jim Hesse recommended adding clarification regarding when the proposal will be effective. Jim Fuxa suggested printing the two different proxies on different colored paper.

Jim Hesse made a motion to approve the proposal. Kevin Allen seconded and the motion carried.

**B. *Foreclosure Information for Annual Meeting***

There are not currently any Reserve owners in foreclosure. Four owners are delinquent and one of them has not paid his property tax. Liens have been placed on all four properties.

**C. *Lamb & TOF at Annual Meeting - Solution***

George Yantz reviewed some emails that circulated between the Board and Joe Lamm. George also reviewed a letter from Thad Renaud, the Town of Frisco's attorney. It was noted that the "common ground" is not owned by the Association but rather by the Town. Thad Renaud agreed that the Board was obligated to maintain the "common ground" and agreed with the Board's interpretation of the requirement. George pointed out that the original agreement was between the Town and the Association, not with any individual owner. George would like to have Dan Wolfe attend the Annual Meeting so he can provide advice for any legal questions. The membership cannot vote against an action that the Board is obligated to perform per the agreement with the Town. The Board also received a professional recommendation regarding thinning of the trees from an arborist. Jim Fuxa said the Board has the authority to take care of the preservation area and will continue to do so. The original plan was to thin 200 trees. Kevin Allen said that in his yard, thinning the trees had resulted in more trees being blown down. He said he was not in favor of thinning but he was in agreement with the Board regarding defining and documenting the Board's obligation. George said the Board should first have the attorney confirm that the Board's interpretation is correct. Once that has been established, the Board can vote to take action as needed.

Jim Fuxa said Joe Lamm wanted to engage a professional to walk the property and provide an opinion. Jim gave him the Forest Service contact number. George had suggested having Patty McGuire tour the property to assess fire prevention. Jim has not heard back from Joe regarding this tour and he will follow up with him. The Board agreed that Dan Wolfe should be asked for his opinion to determine if he agrees with the Board's interpretation of their obligation to maintain the property. George will provide the history to Dan Wolfe. This topic will be discussed at the Annual Meeting and at that time an owner will have the opportunity to make a motion to proceed with tree thinning.

Candy Ramage noted that the Association paid \$185/year in taxes for various parcels of land, which may include this "common ground". The Board agreed that they did not want to address this issue at this time.

*D. Trimming and Irrigation of Front and Rear Entries*

The contractor will turn on the irrigation system as soon as possible. Jim Fuxa has a key for the box. The contractor will also do the trimming. He will be asked to spray any noxious weeds.

*E. Set Annual Meeting Date*

The Annual Meeting will be July 9, 2011 at 9:00 a.m. the Frisco Recreation Building.

*F. ARC Committee Member Addition*

Michal Stefanacci would like to add one more member to the ARC. George Yantz made a motion to authorize expansion of the ARC by one member. Kevin Allen seconded and the motion carried.

*G. Tree Removal and Spraying*

Jim Fuxa, Jim Hesse and George Yantz will tour the property on Tuesday at 8:00 a.m. to identify trees that should be removed.

**V. ADJOURNMENT**

George Yantz made a motion to adjourn at 4:33 p.m. Jim Fuxa seconded and the motion carried.

Approved By: \_\_\_\_\_  
Board Member Signature

Date: \_\_\_\_\_

**THE RESERVE AT FRISCO ASSOCIATION  
ANNUAL HOMEOWNER MEETING  
July 16, 2011  
Frisco, Colorado**

**I. CALL MEETING TO ORDER**

The Reserve at Frisco Association Annual Homeowner Meeting was called to order by Jim Fuxa at 9:06 a.m. on Saturday, July 16, 2011 at the Community Center in Frisco.

Board Members Present Were:

Jim Fuxa, President, B3/L8	George Yantz, Vice President, B5/L8
Jim Melhouse, Secretary, B1/L14	Kevin Allen, Member, B8/L5

Homeowners Present Were:

Phil & Leslie Aaholm, B1/L15	Judith & David April, B6/112
Lore Botsford, B2/L2	Tom Charles, <b>no unit listed</b>
Les & Carol Clarke, B7/L2	Steven Coburn, B10/L10
Bob & Pat Feuerriegel, B6/L3	Fleener Trust, B1/L4
Roxanne Fuxa, B3/L8	Sam Holman, B9/L4
Tim & Jeanne Jenkins, B1/L12	Stephanie Kato, B11/L5
Elinor Katz, B2/L11	Glen & Georgia Kraatz, B9/L1
Paul Krusa, B10/L1	Hans Kuschnerus, B5/L7
Joe & K.. Lamb, B8/L2	David Lennon, B4/L2
Peggy Melhouse, B1/L14	Gene & Sally Miller, B2/L9
Rozwadowski Rev. Trust, B10/L7	Larry & Sharon Siler, B6/L5
Richard Simmons, B3/L5	Michel Stefanacci; B7/L5
Robert & Susan Turner, B8/L8	Rita Urbanek, B5, L4
Joanne Yantz, B5/L8	Tommy Wynant, B1/L10

Representing Basic Property Management were Gary Nicholds and Candy Ramage. Margot Mayer of Summit Management Resources was recording secretary. Dan Wolf, the Association's attorney, was a guest at this meeting.

**II. ROLL CALL AND PROXIES**

With 32 lots represented in person and 39 proxies received a quorum was reached.

**III. VERIFICATION OF NOTICE**

Gary Nicholds stated that notice of the meeting was sent to owners in accordance with the Bylaws.

**IV. APPROVAL OF MEETING MINUTES**

Hans Kuschnerus made a motion to accept the minutes from the July 10, 2010 Annual Meeting as presented. David Lennon seconded and the motion carried.

**V. BASIC PROPERTY MANAGEMENT REPORT**

Gary Nicholds said it had been a good year. Even though it was a very snowy winter the contractor managed snow removal with only a couple of challenges. There were only minor parking violations and improperly displayed signs have been addressed.

**VI. ARCHITECTURAL REVIEW COMMITTEE (ARC)**

Michal Stefanacci reported that there were 108 existing homes and one under design review. The Reserve is 81% built out. There are 12 homes for sale, one is under contract and two sold within the past year. Out of the 26 unbuilt lots, seven lots are for sale and one recently sold.

Some owners are remodeling and adding items such as hot tubs or larger decks and many owners are refreshing the paint. She said she appreciated Gary Nicholds' prompt response when issues arise in the neighborhood. Hans Kuschnerus suggested sending a notice to all owners to remind them of the Covenants.

Michal reported that 15 residences have been identified that are in need of maintenance repairs or restraining. This number does not include vacant lots. The owners will be notified. These issues have to be addressed and the ARC will develop rules and guidelines. There are currently three ARC members and the Board agreed to increase the committee to five members. One owner has expressed interest and she welcomed additional owners to join the committee.

Michal explained that owners have to submit plans to the ARC for any changes to the exterior of a building. The procedures are posted on the website. There are no guidelines for landscaping. Hans Kuschnerus clarified that changes to the inside of the house are allowed without review as long they are in compliance with building code. New construction requires a landscape plan.

**VII. TREE REMOVAL**

At last year's meeting Jim Fuxa proposed removal and thinning of about 200 trees located on the corner of Lupine and Chiming Bells to maintain the forest health. The cost was estimated at \$10 - \$15 per tree. No owners at the meeting spoke against this proposal. After the meeting, one family expressed concern about cutting the trees. They pointed out that there is a legal contract with the Town of Frisco and an Open Space Agreement that expressively states no live trees can be cut. The Board responded that they would not proceed with removal at that time until further research had been done.

The Board sought advice from different attorneys and received legal opinions that the trees could be removed in order to maintain property values. The Town attorney responded with a letter that had an extremely strong opinion that the Association had the right to remove trees. The Association's attorney, Dan Wolf, also agreed that trees can be removed.

Jim Fuxa said there were a total of about 50 trees that needed to be removed from a knoll and 40 from other preservation areas. Some owners (including the Board) cleared out slash and removed these trees at no cost to the Association. The Board was advised by the County Fire Marshall and a State Forest Ranger to look at the interface between Highway 70 and the Association preservation lands. There are a lot of dead standing trees; the County

Commissioner and CDOT agree that the area needs to be cleaned up but there are no funds available.

Joe Lamb said some of the 200 yellow tagged trees had been removed. He would like to implement a restriction on the thinning process to protect the Association.

Joe Lamb made a motion that in accordance with the Colorado State Forest Service guidelines for thinning of 20 or more year old lodgepole stands on the public open space, the Association's thinning activities shall be restricted to the following categories:

1. All infested beetle trees marked by the Town of Frisco.
2. All dead standing trees.
3. All dead fallen trees.
4. Severely leaning trees that are creating an imminent hazard.

Since the Public Open Space is Town of Frisco property, the Association Board is hereby required to affirmatively defend these restrictions as in full compliance with the Open Space Use and Maintenance Agreement dated August 28, 1996.

Dan Wolf said the Board is a qualified authority to maintain the area. The Association has a contractual relationship with the Town of Frisco and is subject to the obligation of that open space. The Town has put in writing the Association's responsibility to maintain the forest areas.

George Yantz said the Board had spent a lot of time and money to resolve this matter and they are obligated to follow the rules and regulations that govern the Association. The Board is not planning to remove any live trees at this point. He strongly recommended that owners follow the advice of the Association attorney.

An owner made a motion to call the question. Joe Lamb amended his motion to an advisory motion. The motion was seconded. In a show of hands there were 18 votes in favor and 11 opposed. Proxy votes were two in favor and 32 opposed. The motion did not carry.

Over 90 trees were cut last year throughout the entire Reserve while approximately 50 of these were on the knoll behind Chiming Bells and Lupine Lane and 30 were planted along the I-70 corridor and 14 along the bike path. All trees are on a drip system and are healthy.

George Yantz said that in the process of seeking advice from the Town of Frisco attorney it was discovered that the Association does not own the preservation area but is responsible for maintaining it. The Town of Frisco owns the property and it could be used, for example, as a playground, tennis court or parking lot. If the Association does not maintain the property, the Town of Frisco could bill the Association for the upkeep. Hans Kuschnerus asked if it was possible to improve the contract with the Town. George Yantz and Jim Fuxa said the Board would work with the Town on the issue of why the Reserve should have to pay taxes on land the Reserve does not own.

### **VIII. PROXY VOTE PROPOSAL**

The Board proposed a more equitable distribution of unassigned proxy votes. The proposal is being offered as an alternative to past voting procedures, whereby all undirected proxy ballots

were given to the Board President to vote as a uniform block. The Board feels this method of voting gives the President an unfair advantage and could result in one person having the ability to alter the outcome of an owner vote. The Board is in unanimous agreement that there should be a more judicious standard.

The Board proposed that unassigned proxies be given to the Board Members in the following order: first proxy to the President, second proxy to the Vice President, third proxy to the Secretary, fourth proxy to the Treasurer and the fifth proxy to the Member at Large (if one exists). Any additional proxies will be apportioned in the same manner until all have been distributed.

A motion was made to approve the proposal. The motion was seconded. Joe Lamb made a motion to change the proposal so that the proxy form has two check boxes and a proxy can be given only for the purpose of establishing a quorum. The motion was seconded.

In a show of hands, 21 owners voted in favor of the first motion and eight were opposed. In addition, 32 proxies were cast in favor and two were cast against so the motion carried.

In a show of hands, 10 owners voted in favor of the second motion and 17 were opposed so the motion did not carry.

## **IX. YEAR-TO-DATE FINANCIAL REPORT**

Candy Ramage provided a financial update.

### *A. Balance Sheet as of June 30, 2011*

1. Total Checking/Savings - \$109,418. There is \$5,905 that is refundable for construction/landscape deposits and \$68,813 is earmarked for Reserve Funds, leaving \$34,700 Operating cash.
2. Total Accounts Receivable - \$4,914 for unpaid dues (\$700 collected in July, balance refers to four owners from \$400 to \$2,400 in various stages of collections).
3. Total Assets - \$118,332.
4. Total Current Liabilities - \$863.
5. Total Long Term Liabilities – includes \$5,905 for refundable construction/land deposits and \$68,813 for Reserved Funds.
6. Total Liabilities and Equity - \$118,332.

### *B. Income Statement as of June 30, 2010.*

1. Total Ordinary Income - \$3,184 over budget due to late fees and finance charges which may or may not be collected.
2. Total General/Admin. Expenses - \$564 under budget.
3. Total Board Admin. Expenses – \$792 under budget.
4. Total Grounds Maintenance Expense – \$4,860 under budget.
5. Net Ordinary Income - \$8,272 over budget.
6. Reserve dues of \$7,299 covered Tree Preservation Expenses of \$7,082 and the remaining \$217 was moved to Reserved Tree Preservation Funds.
7. Total Architectural Review Committee Income – \$9,768 over budget.

8. Total Architectural Review Expenses – \$2,934 over budget.
9. Net Income – \$0.

Joe Lamb recommended earmarking \$40,000 of the Reserve Fund for future road work at the cul de sacs and moving it into a separate savings account. Gary Nicholds said he had a professional evaluate the cul de sacs and they are in pretty good condition. The crack sealing held up well.

David Lennon made a motion to approve the Financial Report. The motion was seconded and carried.

#### **X. RATIFICATION OF BOARD APPROVED 2011/2012 BUDGET**

Candy Ramage reported that the budget as written included no dues increase.

#### **XI. ELECTION OF DIRECTORS**

The terms of Jim Fuxa and Kevin Allen expired so there were two seats up for election. Jim Fuxa indicated he did not plan to run again. The Board received nominations for Joe Lamb and Kevin Allen. There were no other nominations from the floor and Joe Lamb and Kevin Allen were elected by acclamation.

#### **XII. NEW BUSINESS**

##### *A. Fire Chief*

The fire chief wrote a letter to CDOT about creation of defensive space. The right of way contains dead and infested pine beetle trees. CDOT has not yet responded. An owner recommended scheduling an Owner Work Day to clean up the area but this may not be permitted by CDOT due to liability concerns.

##### *B. Oxeye Daisies*

An owner said oxeye daisies were spreading rapidly in certain sections along the road. He asked that the Board investigate a solution to this issue as soon as possible before the daisies get out of control. The Board noted the concern and will check with the Town of Frisco.

##### *C. Tree Spraying*

An owner said “Beetleblockers” were an alternative to tree spraying. Jim Fuxa was not sure that they work for all three types of beetles that are in the area (twig, spruce and pine beetles). Owners interested in receiving more information about Beetleblockers can contact John Cronin at 877-7-4TREES (87337) or visit [www.beetleblockers.com](http://www.beetleblockers.com).

#### **XIII. OLD BUSINESS**

##### *A. Berm*

An owner asked for an update on the berm along I-70. A plan for a berm from exit to exit has been established although construction will be a slow process.

*B. Recognition*

The Board and homeowners thanked Jim Fuxa for his many years of service on the Board.

**XIV. NEXT ANNUAL MEETING DATE**

The next Homeowner Meeting will be held on July 14, 2012.

**XV. ADJOURNMENT**

A motion was made to adjourn the meeting at 10:56 a.m. The motion was seconded and carried.

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
Board Member Signature

**THE RESERVE AT FRISCO  
BOARD OF DIRECTORS MEETING  
August 16, 2011**

**I. CALL TO ORDER**

The meeting was called to order at 12:05 p.m.

Board members present were Jim Melhouse, Jim Hesse, George Yantz, Kevin Allen and Joe Lamm.

Gary Nicholds was present representing Basic Property Management. Erika Krainz of Summit Management Resources was recording secretary.

**II. ELECTION OF OFFICERS**

Jim Melhouse made a motion to nominate George Yantz as President. The motion was seconded. George Yantz made a motion to nominate Jim Melhouse as President. Jim said he would be traveling about half of the year so he declined. The motion carried.

George Yantz nominated Jim Melhouse as Vice President. Joe Lamm seconded and the motion carried.

George Yantz nominated Joe Lamm as Secretary. Kevin Allen seconded and the motion carried.

Joe Lamm made a motion to nominate Jim Hesse as Treasurer. George Yantz seconded and the motion carried.

The Board terms will expire as follows:

George Yantz – 2012

Jim Melhouse and Jim Hesse – 2013

Joe Lamm and Kevin Allen - 2014

Joe Lamm noted that the Officer terms were not specified in the Association documents. Joe Lamm made a motion to have the Officer terms runs from the first meeting following the Annual Meeting to the next Board Meeting after the next Annual Meeting. George Yantz seconded and the motion carried.

**III. ANNUAL MEETING ELECTION CLARIFICATION**

Gary Nicholds explained that the original intent of the Declarant was to have three members for one, two and three year terms, with all eventually serving three-year staggered terms. At the July 2011 Annual Meeting Joe Lamm, Jim Hesse and Jim Fuxa were the three names on the ballot but the ballots were never distributed. Jim Fuxa stepped down so there were two open seats and Kevin Allen and Joe Lamm were elected

by acclamation, although Kevin Allen was never officially nominated and Jim Hesse was overlooked in error. Gary proposed appointing Jim Hesse to the vacancy and affirming the appointment at the next Annual Meeting. Joe Lamm suggested appointing Jim Hesse to the two-year term that was abandoned by Kevin Allen when he was elected to the three-year term.

Joe Lamm asked Jim Hesse if he would be able to attend future Annual Meetings, noting that he had been absent for the past few years. Jim said that date was problematic for him and asked if the Annual Meeting could be held sometime in June or August. George Yantz said the date could be changed but some owners objected when it was changed in the past. He said Jim provided valuable input at the Board Meetings and he did not feel it was a requirement for him to be present. Jim Melhouse agreed.

Joe Lamm made a motion to appoint Jim Hesse to fill Kevin Allen's vacated two-year term. Kevin Allen seconded and the motion carried.

#### **IV. COMMUNICATIONS TO ENTIRE BOARD**

Jim Hesse asked if there was a protocol for Board communication. George Yantz said Association issues should be copied to all Board members.

#### **V. PLOWING REIMBURSEMENT FOR CHIP SNYDER**

Chip Snyder approached Gary Nicholds last winter and offered to clear the ice from the Silver Bells cul de sac with his loader. There was no discussion about compensation. After the fact, he requested payment for the work. George Yantz was concerned about setting a precedent for compensating owners for work done for the Association. Joe Lamm said Gary should include clearing of both cul de sacs with a loader at least once annually in his contract.

George Yantz made a motion to reimburse Chip Snyder \$150 for the work he did in the Silver Bells cul de sac. Joe Lamm seconded and the motion carried.

George Yantz made a motion to allocate \$1,000 from Reserves for loader snow removal from the Chiming Bells and Silver Bells cul de sacs at Gary Nichold's discretion. Jim Hesse seconded and the motion carried.

#### **VI. ASSOCIATION TAXES**

George Yantz said the Association was paying about \$200 in property taxes. George will check the tax description against the map to determine where the taxed property is located. Jim Melhouse will assist in this process.

#### **VII. PURCHASE OF NEW TREES**

Last year, Kevin Allen purchased trees for the preservation areas and individual owners upon request. It was agreed that 2/3 of the trees would be planted along the highway and 1/3 in other areas of the property. The contractor who planted the last batch of trees did a good job but he did not communicate well and did not install the timers per the contract.

Kevin recommended using AV Landscaping and said he would approach the owner. The other option would be to ask the original contractor to remedy the problems that occurred last time. The program will not be extended to owners in this next cycle because there were a number of issues the last time. Owners can be provided with the information for Harmony Gardens in Denver upon request.

Irrigation for the new trees will depend on the location of the trees. One or two pines and a few aspen clumps should be planted on the southwest area of the knoll behind Kevin's property. Trees should also be planted behind the Melhouse and Aaholm homes.

Joe Lamm recommended putting in as many aspens as possible along the highway. There is some irrigation in that area already but some areas may need to be repaired or expanded.

Kevin will research contractors. The Board needs to decide how many trees, which species and locations. Jim Hesse said there was \$7,200 allocated in the budget.

#### **VIII. WEED SPRAYING**

An owner at the Annual Meeting mentioned that there was quite a bit of false chamomile growing along the roads. Gary Nicholds said he had informed owners that they should pull invasive weeds. Gary will call the town to request spraying.

#### **IX. I-70 CLEAN-UP**

George Yantz has contacted Mr. DeVito from CDOT but has not been able to secure a commitment. He will continue to call him. It was noted that there was clear cutting done across the highway where there are no homes at risk.

#### **X. PREVIOUS MEETING MINUTES**

George Yantz provided handwritten notes from two previous Board Meetings. Joe Lamm will create minutes for the record.

#### **XI. UPDATE ON PROXY STATUS**

George Yantz, Gary Nicholds, Joe Lamm and Kevin Allen met with attorney Dan Wolf to discuss the proxy situation. Dan Wolf explained that unassigned proxies were probably not legal but stating that the proxy would be assigned in the body of the proxy would be legal. George said the change he proposed would be legal since it would not take away any owner's right to vote, but rather would change the mechanism of how it is done. The estimated cost for the title work and legal fees is \$5,000 and the process would take about three months. Dan Wolf indicated that changing the existing proxy form would only take a few weeks. Dan did not like the idea of having a "proxy for quorum" only because it could disenfranchise Association members.

Joe Lamm prepared an alternative proxy statement for Board consideration. If the proxy holder is not specifically named on the proxy form, the proxy can only be used to establish a quorum. He did not support spending \$5,000 to amend the Bylaws.

George Yantz felt Joe's form would disenfranchise owners who cannot attend the meeting. He noted that the owners had voted to approve the change that he is proposing. The goal is to keep one Board member from voting the entire block of proxies. Joe Lamm pointed out that according to Dan Wolf, unassigned proxies are invalid.

Joe Lamm reiterated that he would object to spending \$5,000 without having his proposed proxy form reviewed by the attorney. Joe said the owners should have been informed of the actual cost when they voted.

Jim Hesse said he was concerned that George's proposed document did not have the final language. Jim Melhouse acknowledged that George had spent a great deal of time on this with the Board's endorsement, but he did not know the cost was going to be \$5,000 and he did not think the owners realized it would be that expensive either. Kevin Allen was in favor of finding a compromise that would not be as expensive.

Jim Melhouse made a motion to table a vote on this issue until the next Board Meeting. Joe Lamm seconded and the motion carried unanimously.

## **XII. OPEN DISCUSSION**

### *A. Architectural Review Committee*

The ARC would like to establish a rule that no more than 25% of the hardscape can be covered with permeable landscaping materials

### *B. Paving Reserve Account*

Joe Lamm proposed establishing a separate Reserve account for repaving the cul de sacs. This will be included on the next meeting agenda.

## **XIII. ADJOURNMENT**

George Yantz made a motion to adjourn at 2:23 p.m.

Approved By: \_\_\_\_\_  
Board Member Signature

Date: \_\_\_\_\_

**THE RESERVE AT FRISCO  
BOARD OF DIRECTORS MEETING  
September 6, 2011**

**I. CALL TO ORDER**

The meeting was called to order at 2:06 p.m. in the Basic Property Management office.

Board members present were Jim Melhouse, Jim Hesse, George Yantz, Kevin Allen and Joe Lamb.

Gary Nicholds and Candy Ramage were present representing Basic Property Management. Erika Krainz of Summit Management Resources was recording secretary.

**II. APPROVAL OF PREVIOUS MEETING MINUTES & BOARD ACTION TAKEN WITHOUT A MEETING**

*A. Approval of Board Action Taken 1/14/10 Without a Meeting*

George Yantz made a motion to approve the appointment of Jim Hesse to the Board on 1/14/10 without a Board Meeting. Joe Lamb seconded and the motion carried.

*B. Approval of 3/9/10 and 6/7/10 Board Meeting Minutes*

Jim Melhouse made a motion to approve the March 9, 2010 and June 7, 2010 Board Meeting minutes as presented. George Yantz seconded and the motion carried.

*C. Approval of 7/16/11 Annual Meeting Minutes*

Joe Lamb noted that there was no formal approval of the 2012 Budget during the meeting. George Yantz made a motion to continue to operate under last year's budget as required per the Bylaws since there was no official motion to approve the new budget. Kevin Allen seconded and the motion carried.

*D. Approval of 8/16/11 Board Meeting Minutes*

Joe Lamb made a motion to approve the August 16, 2011 Board Meeting minutes as presented. George Yantz seconded and the motion carried.

**III. CHAMOMILE UPDATE**

George Yantz said he had learned that there is a native plant that looks like chamomile. The town is not spraying it. The Board agreed not to take any action to eradicate it.

**IV. I-70 CLEAN-UP**

George Yantz said Mr. DeVito from CDOT indicated he would have to wait until the end of his fiscal year to determine if there are any funds available. George also talked to Todd Anderson, who is in charge of I-70 from the tunnel to Copper. Todd Anderson indicated

that CDOT might be taking some action. His understanding of the plan is they will subcontract the work to clean up the highway, but no contract has been signed yet. George will contact Todd again at the end of the week. He will ask if CDOT can at least remove the deadfall and garbage.

**V. UPDATE ON TAXES**

Jim Melhouse said he determined that the tax being paid by the Association is legitimate. It is for the two entrances and the cul de sacs, which are Reserve property. The Association is not paying taxes on the open space throughout The Reserve.

**VI. TREE PURCHASE/LANDSCAPING**

Kevin Allen emailed Harmony Gardens but has not yet heard back. He spoke with Abel from AV Landscape, who indicated he would be interested in working out an agreement to plant the trees. He estimated the cost would be about \$90 – 100 each for 3’ – 6’ trees and \$120 each for 6’ – 8’ trees. He also estimated that there would need to be 50’ of drip line per tree for \$130. Timers would be \$50 extra each. He did not think he could match the prices for the trees. Jim Hesse liked the idea of having one contractor handle the entire job. Kevin said he would ask Abel for a bid for the entire project.

George Yantz said Alpine Gardens recommended against spraying the evergreens with a winterizing agent. It is better to let the trees weather the elements to thicken the needles.

Owners will be given the number for Harmony Gardens in case they want to buy trees individually.

The Board will give final approval for the project by email once Kevin Allen has the final numbers from the two contractors.

**VII. GIFT FOR JIM FUXA**

George Yantz proposed purchasing a restaurant gift certificate for Jim Fuxa in recognition of his years of service to the Association. Joe Lamb made a motion to purchase a \$100 gift certificate for Jim Fuxa. Kevin Allen seconded and the motion carried.

**VIII. ARC PROPOSAL**

George Yantz said the ARC policy on allowable pervious material coverage was not clearly explained at the Annual Meeting. Joe Lamb said if the policy is approved, recorded and put in the guidelines, it will be enforceable. George recommended sending an explanatory letter to the owners once the policy is approved.

Joe reviewed the proposal titled Amendment #3 to The Reserve at Frisco Design Standards and Procedures, 4<sup>th</sup> Edition, October 2007 under Site Planning Standards, Decks, Patios and Retaining Walls, Page 15:

*“Exterior patios and walkways constructed of pervious materials (e.g. flagstone set in sand) are limited to a maximum of 25% of the allowable building coverage.”*

Jim Hesse said he would like to tour the property to get a better idea of what the limit looks like in a real setting. The Board agreed to table a vote until the next meeting. Kevin Allen will bring a sketch of his property as an example.

**IX. LINE ITEM FOR CUL-DE-SACE PAVING AND FUNDING REALLOCATIONS**

Joe Lamb proposed establishment of a separate savings account for the cul de sac paving to ensure the money will not be used for any other purpose.

George Yantz said a few years ago the Board approved that \$4,556 would be collected toward the cul de sacs each year because there was not enough cash on hand at that time. There is now a balance of \$43,627. George asked if dues could be reduced and owners refunded any surplus amount. Candy Ramage recommended not reducing dues but rather to credit the owners for the \$3,672 in excess funds.

Joe Lamb did not support that action. He wanted to be sure there was a current estimate for resurfacing the roads. There is at least one drain pan that needs replacement. He thought the excess Reserves should go into a Contingency Reserve that could be up to 10% of the annual budget. Candy Ramage pointed out there was \$43,000 in retained earnings in the Reserves, \$30,000 of which is from the excess that was transferred from the ARC.

Joe Lamb questioned why the trees were handled as a Reserve item. He thought the expense should be paid from Operating. George Yantz explained that it was set up that way to facilitate tracking. Trees can be changed to an Operating expense in the next budgeting cycle.

**X. SNOWPLOWING**

Joe Lamb made a motion to reverse the motion made at the last Board Meeting to pay the \$1,000 plowing expense for the loader work out of the Reserves and to pay it out of Operating instead. Kevin Allen seconded and the motion carried.

**XI. QUORUM/PROXY RECAPS AND VOTE**

Joe Lamb summarized that he did not think the Bylaws should be changed.

George Yantz reviewed his position. He was not sure that Joe's proposal of using the proxy only for quorum was legal, ethical, moral and representing the Board's duty. Joe's proposal was voted down at the Annual Meeting and George felt it was a binding, legal vote. He thought the quorum issue should come off the table.

If the Board decides to proceed with the proxy vote, which George did not feel should occur, the cost would be \$22.39/lot if the legal costs were \$3,000 or \$37.31/lot if they

were \$5,000. Assuming the cost would be \$5,000, the \$3,627 surplus from the cul de sac fund could be applied to the expense, leaving a remaining expense of \$1,373 or \$10.25/lot. This would not require a Special Assessment.

George proposed the following compromise. No change will be made to the quorum or Bylaws. The Board can adopt a new Proxy Policy (copy distributed). The attorney can review the Annual Meeting letter. All newly nominated Board members can be asked their position on the proxy policy at the Annual Meeting before the election vote.

Joe Lamb did not support the last provision because it would allow the sitting Board, who most likely will have enough votes to control the outcome of the election, to not elect an individual who does not support the policy.

Kevin Allen agreed there was a vote at the last Annual Meeting and the motion carried but he felt it was legitimate to pull back on the decision if the Board is trying to act in the best interest of the membership.

The Board agreed to remove section 3 of the Proxy form. Jim Melhouse felt it was important not to change the Bylaws.

To simplify the Proxy Policy, option #2 would be eliminated. The Board agreed to the intent of the policy but they were not comfortable signing the policy until the attorney has reviewed and revised the Proxy form as needed.

Kevin Allen made a motion to approve the Proxy Policy with the elimination of item #2. Jim Melhouse seconded and the motion carried. A copy is attached to these minutes.

George Yantz and Gary Nicholds will revise and simplify the Proxy form before sending it to the attorney for review.

**XII. STORM DOOR**

Jim Hesse was authorized to install a storm door on his home.

**XIII. SET NEXT MEETING DATE**

The next meeting date will be set by email in January.

**XIV. ADJOURNMENT**

Joe Lamb made a motion to adjourn at 4:28 p.m. George Yantz seconded and the motion carried.

Approved By: \_\_\_\_\_  
Board Member Signature

Date: \_\_\_\_\_

QuickTime™ and a  
decompressor  
are needed to see this picture.